

NSC BRIEFING**29 November 1956**

NSA review completed

NEAR EAST SITUATION

I. In Syria, "drift to left" is continuing, and Syrian leaders--Quwatli and Premier Asali--are bending more and more under pressure from nationalist, but strongly leftist-inclined, army officers.

A. Syrian leftists getting bolder. Arrests of rightists, accused (probably justly) of conspiracy with Iraq, have increased. Syrian army increasingly prepared to use force to intimidate opposition.

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III. Even without multitude of rumors that Syria being flooded with Soviet planes and technicians, situation there has enough explosive in it to alarm our Western and Near Eastern allies.

A. Turkey, in particular, greatly disturbed over Syrian developments. Ankara has moved troops toward Syrian frontier, as precaution, and Turks have repeatedly voiced deep concern to US Embassy officials.

B. Iraqi Gov't, likewise, is convinced that Syrian leftward drift poses it with direct threat.

1. Nuri Gov't has suppressed number of sporadic pro-Nasr and anti-Gov't demonstrations in various towns and cities during past week, despite vitriolic press and radio campaign inspired by Syrians and Egyptians.

2. Nuri Gov't probably able to continue doing so.

3. However, rumors in Baghdad, and elsewhere in Middle East, insist that Nuri (tarred by long association with UK) will soon resign.

C. Meanwhile, Iraqi Gov't is leveling bitter counter-accusations at Syria.

1. Should Syrian law and order break down, Iraq would probably be ready to give direct military support to rightist Syrian Army elements.

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D. In Jordan, armed forces remain fully mobilized and Jordanian Gov't--under Syrian and Egyptian needling--is apparently convinced that the UK, France, Israel and probably Turkey and Iraq as well are about to start assault on Syria.

1. King is being pushed into anti-Western position, even though he and Chief of Staff Nuwar both insist they want to maintain and expand relations with US.

IV. In Egypt, British intend to push own Suez clearing operations as far as possible south of Qantara (cease-fire line)--even at risk of incidents.

A. UK claims to have already rendered canal navigable for smaller vessels to point near Qantara.

1. Evidently British have cleared Port Said, removed or bypassed 21 of estimated 49 major obstacles lying along full length of canal.

2. 14 salvage ships already at canal, another 14 on the way.

B. Nasr regime remains preoccupied with getting UK, French, Israelis out.

C. Egyptian public mind very confused: some indications Nasr regime now seeking play down role of possible Soviet assistance, through no hesitation in using "volunteers" threat either to spur Western withdrawal or to buck up domestic morale.

D. Egyptian economic situation deteriorating badly.

1. Campaign to oust foreign economic interests has added to confusion created by war measures, scarcity many products.
 2. Main target this campaign is some 20,000 stateless Jews; secondary targets are Egyptian Jews (whose citizenship may be revoked if they "Zionists"), as well as British and French nationals.
- E. However, Nasr still top of heap, with no organized opposition visible.

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VIII. According to our latest National Intelligence Estimate (completed 29 Nov), overall Soviet objectives in Middle East at present probably are:

- A. to consolidate position as champion of Arab nationalism;**
- B. to distract world attentions from Satellites;**
- C. to undermine Western influence and alliances in area;**

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- D. to weaken West economically and strategically, notably through reduction Western access to area's oil; and
 - E. to prolong and deepen Western differences.
- IX. Estimate points out that Israeli, French and British action against Egypt has worked to increase Soviet influence.
- A. USSR taking advantage of these opportunities.
 - B. Oil shortage, now looming in Europe, is virtually certain to increase strain between Western European governments as they compete.
 - 1. Soviet Bloc already supplying 90,000 barrels oil per day to Free world. Bloc could supply substantial additional quantities for export, providing tankerage available to lift oil from Black Sea ports (see annex, p.8).
- X. Estimate continues that USSR will probably make increasing use of Syria in its anti-Western and anti-Israeli campaign.
- A. In this connection we know that in Copenhagen, on 28 Nov. Shepilov charged that Britain, France and Israel intended to attack Syria, Lebanon, Egypt and other Middle Eastern countries.
 - B. Also know that, previous day, Pravda attacked US for pushing "Anglo-French alliance into new adventures in the Near East," and for inducing Turkey and Iraq to attack Syria.
- XI. Estimate gives these probable Soviet courses of action--assuming further hostilities in the area:
- A. If Arab-Israeli hostilities develop, USSR would probably step up political support and military assistance to Arabs--probably including volunteers to Syria.

- B. Should military action involve UK-French forces, USSR would probably step up political support and military assistance to Egypt. If requested, would probably send volunteers. Would also probably renew and intensify threats against Britain and France.**
- C. In the event of renewed British-French military operations, an Arab-Israeli war, or conflict over Syria, however, scope of Soviet action would depend greatly on attitude of US. USSR would be unlikely to make good on any threats of hostilities against the UK and France, or Israel--or even send volunteers--if it estimated that such steps would provoke a US reaction which substantially increased risk of general war.**
- D. Obvious, however, that in critical situations surrounding outbreak of hostilities there would be serious risks of miscalculation on the part of both the USSR and the West.**

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ANNEX: SOVIET OIL FOR EUROPE

- I. Of 90,000 BBLs of Soviet Bloc petroleum and petroleum products now provided daily to Free World, approximately 50,000 BBL per day are shipped to Sweden, Finland and Iceland.
 - A. Other principal Free World recipients are Egypt and Yugoslavia.
 - B. USSR has already offered to supply an additional 20,000 barrels per day to France, (about 5% of French consumption).
- II. Assuming that Western tankers were available for the lift, the Bloc could export substantially larger amounts of crude oil and/or finished products to the West.
 - A. Production in the USSR alone is increasing at an annual rate of more than 250,000 BBL per day.
 - B. Any substantial increase in exports would, however, involve some sacrifice of economic activity because of the Bloc's rapidly expanding domestic requirements for petroleum.
- III. In view of these domestic needs and the difficulty of moving oil from producing and storage centers to ports, the Economic Intelligence Committee considers it unlikely that the Soviet Bloc would maintain Free World exports during 1957 in excess of an additional 100,000 BBL per day.
 - A. Even this quantity (about 4% of total Western European consumption) would permit a significant reduction in the existing deficit (some 25% of consumption) in that area.

IV. In contrast to the EIC view, O/RR holds that, by drawing heavily on inventories, the Bloc could probably more than double the additional quantities of petroleum for export to Western Europe over a limited period. Such a quantity (around 250,000 BBL per day) would reduce the present European deficit by one-third.

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